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**AGENCY OVERVIEW****235 North Dakota State University**

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**Date:** 01/13/2011**Time:** 11:07:35**Statutory Authority**

ND Constitution Section 215, North Dakota Century Code Chapter 15-12.

**Agency Description**

North Dakota State University (NDSU) has clearly established itself in recent years as one of the state's two flagship research universities. Perhaps more importantly in terms of its capacity to serve the state's interests, NDSU has also entered the ranks of the National Science Foundation's top 100 research universities (39th of those without a medical school), with over \$114.0 million in annual research activity reported for the most recent national survey.

Nonetheless, NDSU is proud of its founding as the state's land-grant institution. It embraces that responsibility as a cornerstone of its future productivity, and the contributions it can increasingly provide to North Dakota and the state's residents.

The university also provides the largest and most diverse student learning environment in the NDUS system. The university enjoys its location in a vibrant and growing area of the state, and has shared a responsibility for creation of an environment that compliments and blends the experiences of its students, faculty and staff with the community in which they live while attending NDSU.

**Agency Mission Statement**

With energy and momentum, North Dakota State University addresses the needs and aspirations of people in a changing world by building on our land-grant foundation.

**Agency Performance Measures**

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly organized according to the five cornerstones of the Roundtable Report. Those annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 2010 annual accountability measures report is scheduled for completion in December 2010, and will be the most current information available to the 2011 Legislative Assembly. This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

**Major Accomplishments**

1. Increased demand by prospective undergraduate students has been reflected in the past decade of new enrollment records, which in the fall of 2009 reached 14,189 students.
2. Continued improvement in the diversity of the NDSU student body, including in the spring of 2010 a record 1,216 international students representing 81 countries, and an increasing number of U.S. born students reflecting ethnic, cultural and geographical diversity.
3. Increased demand by graduate students set new records with enrollment reaching 2,103 in the fall of 2009.
4. Initiated efforts to improve the sense of welcome and support; retention and graduation rates; focus on students from historically under-represented populations, veterans, and others; and addressed high risk behaviors and other student issues.
5. Collaborated to increase the support, success and transferability of undergraduate and graduate student coursework within the broader North Dakota University System.
6. Continued the on-going construction of the Beef Cattle Research Center and the Research Greenhouse Complex. Both represent "game changing" state of the art facilities, which will draw national and international attention and resources.
7. Continued the involvement with the Research and Technology Park and emerging technology firms that have created several thousand new jobs, including employment of over 100 NDSU undergraduate and graduate students. Received national and international awards, including the "2010 Outstanding Incubator Graduate of the Year."
8. Enhanced academic computing infrastructure including upgrading the computer fiber network, routing and switching equipment and extending the state's Internet2 connection through the Northern Tier Network.

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**Date:** 01/13/2011**Time:** 11:07:35**Future Critical Issues**

If to generalize NDSU's future critical issues in one framework, it might be said that the University is a victim of its own success. The University's productivity and resulting visibility have led to a decade of unprecedented increases in demand by both undergraduate and graduate students, and an increasing ability to attract scholars and entrepreneurs eager to bring their research and ideas to an environment that supports them. The increasing attractiveness of the campus and surrounding community, and the state's current economic strength, all contribute to a university with substantial and growing capacity to contribute more to the state--but hamstrung by resources designed to support a relatively modest comprehensive undergraduate institution with only limited research productivity, much less a driving role in economic development.

To put a finer point on the challenge, of all 11 North Dakota system institutions, NDSU is the lowest funded institution relative to its official ranking among peer institutions. It would be fair to also point out that NDSU's official peer group is a balanced collection of similar institutions--most of which do not reflect the far more successful institutions NDSU has recently joined ranks with in the National Science Foundation's top 100 research universities.

Already recognized by Moody's Investor Service as one of the leading economic engines in North Dakota (second only to agriculture in general), NDSU has historically been a major contributor to the North Dakota economy, and over the past decade has emerging as one of if not arguably the state's most likely source of future economic diversification and prosperity. That has taken place, though, with what largely represents a disconnect from trailing state general fund support for that role.

Unfortunately, NDSU's success and potential for an even more impressive contribution to the future of North Dakota is in a critically vulnerable position. Without adequate support, the University's capacity to meet student demand, bring in new interests and resources from out of the state, and contribute to the economic diversity and strength of North Dakota's future will not simply be stopped at current levels, but will require a retrenchment. More specifically, NDSU is in critical need of additional resources to support classroom instruction, academic support functions, and facilities renovation and construction.

- Current resources available to support faculty and staffing of academic areas largely reflect the NDSU of a decade ago. Meeting student demand, while maintaining reasonable faculty to student ratios, has required an increasing utilization of non-tenured, part-time, and other staffing options. While those "bridging" approaches are adequate in some educational settings, they are not complimentary or commonly employed as an on-going approach in flagship land-grant research university environments.
- Academic support functions meeting the demands of a growing student body, and the more sophisticated academic support needs of an enhanced student profile, have by and large been left unaddressed over NDSU's past decade of development. Existing faculty and academic staff have been stretched beyond reason to meet student demands, and a widening gap is evident in terms of the University's capacity to provide even modestly reasonable levels of support.
- Campus facilities are increasingly falling behind on even minimal levels of maintenance and renovation. NDSU's ability to continue attracting the best students, faculty, staff and outside agencies that support the University's development, and contributions back to the state, are increasingly being inhibited. The situation also results in an inability to pursue measures that would provide important cost savings in the terms of safety, security and energy efficiency. It is troubling that state physical assets, much less their potential productivity, are hampered by a level of funding that does not provide the opportunity for minimal much less on-going, long term strategic planning of maintenance, renovation and new construction.

At the same time, NDSU has a responsibility to evaluate and purposefully consider opportunities for efficiencies across its academic programs and all other activities. The University, both individually and as part of the NDUS, cannot appropriately grow and excel on all possible fronts. It must strategically evaluate those areas in which it is best positioned to lead, support, or contribute to the success of its constituencies. Reciprocally, NDSU needs to identify those areas in which it is not best positioned or cannot efficiently lead with excellence in addressing demands of the state, and must support collaboration with or redirection of state necessities to NDUS institutions better positioned to meet such demands.

In fact, NDSU is already pursuing a number of measures designed to do the above. On a general basis, new University leadership has initiated an evaluation and planning process that has started with collecting data from a broad representation of those in the University community. That process will mature throughout the academic year and culminate in a structured, purposeful and strategic identification of NDSU's future organization and orientation.

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At the same time, the University has already pursued a number of initiatives ranging from curriculum reviews to purposeful collaboration with NDUS institutions. Just a few current examples of collaboration include development of undergraduate and graduate programs with Minot State (social work and human development), UND (public health), and NDSCS ("Pathways" program and the establishment of that institutions two-year liberal arts preparatory program in the Fargo area).

Mirroring those examples of growing academic collaborations have been system wide support of academic support functions in system IT-based data storage, academic computing, communication, emergency response and support technologies that provide the backbone of many NDUS institutions and the support of their collective academic communities. By blending system resources with campus-based expertise, NDSU is in many areas best positioned to efficiently provide services to its sister institutions.

**REQUEST SUMMARY**

235 North Dakota State University

Bill#: HB1003

Date: 01/13/2011

Biennium: 2011-2013

Time: 11:07:35

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>By Major Program</b>					
North Dakota State University	119,217,813	190,752,339	(19,443,495)	171,308,844	7,011,700
<b>Total Major Program</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>171,308,844</b>	<b>7,011,700</b>
<b>By Line Item</b>					
Operating Expenses	90,594,710	108,715,082	23,761,518	132,476,600	0
Capital Assets	4,819,945	14,692,225	(11,959,981)	2,732,244	7,011,700
Capital Assets Carryover	12,102,162	3,889,215	(3,889,215)	0	0
Capital Projects - Non-State	11,125,854	58,100,000	(22,000,000)	36,100,000	0
Deferred Maintenance	0	5,355,817	(5,355,817)	0	0
2000 Flood Expenditures	575,142	0	0	0	0
<b>Total Line Items</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>171,308,844</b>	<b>7,011,700</b>
<b>By Funding Source</b>					
General Fund	94,988,719	132,652,339	2,556,505	135,208,844	7,011,700
Federal Funds					
Special Funds	24,229,094	58,100,000	(22,000,000)	36,100,000	0
<b>Total Funding Source</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>171,308,844</b>	<b>7,011,700</b>
<b>Total FTE</b>	<b>498.12</b>	<b>584.88</b>	<b>0.00</b>	<b>654.00</b>	<b>0.00</b>

**REQUEST DETAIL**

235 North Dakota State University  
Biennium: 2011-2013

Bill#: HB1003

Date: 01/13/2011  
Time: 11:07:35

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>Operating Expenses</b>					
Operating Fees and Services	90,594,710	108,715,082	23,761,518	132,476,600	0
<b>Total</b>	<b>90,594,710</b>	<b>108,715,082</b>	<b>23,761,518</b>	<b>132,476,600</b>	<b>0</b>
<b>Operating Expenses</b>					
General Fund	90,594,710	108,715,082	23,761,518	132,476,600	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>90,594,710</b>	<b>108,715,082</b>	<b>23,761,518</b>	<b>132,476,600</b>	<b>0</b>
<b>Capital Assets</b>					
Land and Buildings	184,848	13,000,000	(13,000,000)	0	4,692,000
Other Capital Payments	2,942,871	0	0	0	2,319,700
Extraordinary Repairs	1,692,226	1,692,225	1,040,019	2,732,244	0
<b>Total</b>	<b>4,819,945</b>	<b>14,692,225</b>	<b>(11,959,981)</b>	<b>2,732,244</b>	<b>7,011,700</b>
<b>Capital Assets</b>					
General Fund	4,394,009	14,692,225	(11,959,981)	2,732,244	7,011,700
Federal Funds	0	0	0	0	0
Special Funds	425,936	0	0	0	0
<b>Total</b>	<b>4,819,945</b>	<b>14,692,225</b>	<b>(11,959,981)</b>	<b>2,732,244</b>	<b>7,011,700</b>
<b>Capital Assets Carryover</b>					
Land and Buildings	12,102,162	3,889,215	(3,889,215)	0	0
<b>Total</b>	<b>12,102,162</b>	<b>3,889,215</b>	<b>(3,889,215)</b>	<b>0</b>	<b>0</b>
<b>Capital Assets Carryover</b>					
General Fund	0	3,889,215	(3,889,215)	0	0
Federal Funds	0	0	0	0	0
Special Funds	12,102,162	0	0	0	0
<b>Total</b>	<b>12,102,162</b>	<b>3,889,215</b>	<b>(3,889,215)</b>	<b>0</b>	<b>0</b>
<b>Capital Projects - Non-State</b>					
Land and Buildings	11,125,854	58,100,000	(22,000,000)	36,100,000	0
<b>Total</b>	<b>11,125,854</b>	<b>58,100,000</b>	<b>(22,000,000)</b>	<b>36,100,000</b>	<b>0</b>
<b>Capital Projects - Non-State</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0

**REQUEST DETAIL**

235 North Dakota State University  
Biennium: 2011-2013

Bill#: HB1003

Date: 01/13/2011

Time: 11:07:35

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Special Funds	11,125,854	58,100,000	(22,000,000)	36,100,000	0
<b>Total</b>	<b>11,125,854</b>	<b>58,100,000</b>	<b>(22,000,000)</b>	<b>36,100,000</b>	<b>0</b>
<b>Deferred Maintenance</b>					
Extraordinary Repairs	0	5,355,817	(5,355,817)	0	0
<b>Total</b>	<b>0</b>	<b>5,355,817</b>	<b>(5,355,817)</b>	<b>0</b>	<b>0</b>
<b>Deferred Maintenance</b>					
General Fund	0	5,355,817	(5,355,817)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5,355,817</b>	<b>(5,355,817)</b>	<b>0</b>	<b>0</b>
<b>2000 Flood Expenditures</b>					
Other Expenses	575,142	0	0	0	0
<b>Total</b>	<b>575,142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2000 Flood Expenditures</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	575,142	0	0	0	0
<b>Total</b>	<b>575,142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>					
General Fund	94,988,719	132,652,339	2,556,505	135,208,844	7,011,700
Federal Funds	0	0	0	0	0
Special Funds	24,229,094	58,100,000	(22,000,000)	36,100,000	0
<b>Total Funding Sources</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>171,308,844</b>	<b>7,011,700</b>

**CHANGE PACKAGE SUMMARY**

235 North Dakota State University

Biennium: 2011-2013

Bill#: HB1003

Date: 01/13/2011

Time: 11:07:35

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b><u>Base Budget Changes</u></b>						
<b>One Time Budget Changes</b>						
A-B 1 Major Capital Projects		0.00	0	0	36,100,000	36,100,000
A-E 2 Remove One time Funding for Def Mnt		0.00	(5,355,817)	0	0	(5,355,817)
A-E 3 Remove Capital Projects		0.00	(13,000,000)	0	(58,100,000)	(71,100,000)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(18,355,817)</b>	<b>0</b>	<b>(22,000,000)</b>	<b>(40,355,817)</b>
<b>Ongoing Budget Changes</b>						
A-A 1 Parity		0.00	13,735,631	0	0	13,735,631
A-A 12 2009-11 Adjusted FTE		584.88	0	0	0	0
A-A 2 Equity		0.00	7,069,226	0	0	7,069,226
A-A 3 College Affordability		0.00	2,149,191	0	0	2,149,191
A-A 4 Base Plus Incr for Extraord Repairs		0.00	2,732,244	0	0	2,732,244
A-A 7 Employee Retire Contrib Increase		0.00	807,470	0	0	807,470
A-F 1 Remove Capital Assets Carryover		0.00	(3,889,215)	0	0	(3,889,215)
A-F 2 Remove Base Funding for Extraord Repairs		0.00	(1,692,225)	0	0	(1,692,225)
Base Payroll Change		(584.88)	0	0	0	0
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>20,912,322</b>	<b>0</b>	<b>0</b>	<b>20,912,322</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>2,556,505</b>	<b>0</b>	<b>(22,000,000)</b>	<b>(19,443,495)</b>
<b><u>Optional Budget Changes</u></b>						
<b>One Time Optional Changes</b>						
A-D 1 Special Assessments	1	0.00	2,319,700	0	0	2,319,700
A-D 3 Small to Medium Size Capital Projects	2	0.00	4,692,000	0	0	4,692,000
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>7,011,700</b>	<b>0</b>	<b>0</b>	<b>7,011,700</b>
<b>Total Optional Budget Changes</b>		<b>0.00</b>	<b>7,011,700</b>	<b>0</b>	<b>0</b>	<b>7,011,700</b>

**BUDGET CHANGES NARRATIVE**

235 North Dakota State University

Bill#: HB1003

Date: 01/13/2011

Time: 11:07:35

Change Group: A	Change Type: A	Change No: 1	Priority: 1
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**Parity**

The long-term finance plan includes targeted state/student shares for each of the campuses. The Student share of parity costs would be funded through tuition rate increases, except as noted in the (11-13) College Affordability portion of the appropriation request.

The requested parity increase for NDSU, totaling \$13,735,631, includes the State share of the following increased costs for 2011-13.

\$2,288,204 - Continuation of the (10-11) legislatively funded salary increase at 5%.

\$6,624,290 - (11-13) salary increase of an average of 4.5%

\$2,578,889 - (11-13) estimated health insurance increase of 10% per year or \$173.39 per month. Total projected premium of \$999.05 per month per employee.

\$ 756,691 - Operating inflation (excluding utilities) of 2.1% for (FY 12) and 2.0% for (FY 13), based on projections from Economy.com

\$1,064,975 - Projected utility cost increases (11-13 biennium over the 09-11 biennium) for NDSU appropriated facilities and the Safety Office based on recent actual expenses.

\$ 422,582 - Utilities for new facilities coming on-line in (11-13) and previous biennium (09-11) unfunded leased buildings. This includes the North addition of of Minard Hall (24,130 sq.ft.), a fully owned academic building, expected to be active in July, 2011. In addition, Stop & Go Center, a leased administrative building, on line since 2008-09; Bison Block I, a leased academic/administrative building on line since 2008-09; Bison Block II, a leased academic building on line since 2008-09; and Cityscapes/Police (downtown campus) on line since 2009-10, a leased administrative building. Together they comprise 39,942 of sq.ft. of space for which there has never been a previous utility funding request.

Change Group: A	Change Type: A	Change No: 2	Priority: 2
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**Equity**

The NDUS budget request includes an \$18.5 million increase for equity, distributed among the 11 NDUScampuses and Medical School Equity funding to address peer differentials. NDSU's portion of this request is \$7,069,226. The LTF Plan requires a minimum of 15% of the total new funding be allocated to equity, after full funding of the state share of salaries and benefit cost increases in parity. The distribution of the equity request is based on the previously approved SBHE allocation model--the average of the weighted percentage distance from peers and dollar distance from peers—with a minimum of 52% of peers or \$250,000. **Note:** The 52% minimum or \$250,000 is an exception to the previously approved SBHE plan, but is intended to address those campuses funded furthest from their peers and recognize the high fixed costs of the smaller campuses.

This equity funding request will be used to support general operations; including salaries for faculty and staff, operating costs and equipment.

NDSU has experienced unprecedented demand during the last ten years.

Student enrollment headcount in 2000 was 9,894 and in 2009 was 14,189 resulting in an increase of 4,295 students or a 43% increase. This dramatic increase in demand has led to unavoidable additional operating costs. To date, NDSU has been forced to use and exhaust reserves in meeting that unprecedented student demand.



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Current resources available to support faculty and staffing of academic areas largely reflect the NDSU of a decade ago. Meeting student demand, while maintaining reasonable faculty to student ratios, has required an increasing utilization of non-tenured, part-time, and other staffing options. While those "bridging" approaches are adequate in some educational settings, they are not complimentary or commonly employed as an on-going approach in flagship land-grant research university environments.

Additionally, academic support functions meeting the demands of a growing student body, and the more sophisticated academic support needs of an enhanced student profile, have by and large been left unaddressed of NDSU's past decade of development. Existing faculty and academic staff have been stretched beyond reason to meet student demands, and a widening gap is evident in terms of the University's capacity to provide even a modestly reasonable level of support. A portion of this equity funding request may be used to fund additional faculty and academic staff, although not specifically identified at this time.

These equity funds will be used to partially address the increasing gap in state funding. Even with full funding of this request, NDSU inexplicably was and will remain at the bottom of all NDUS institutions in peer benchmark rankings.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b> 3
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**College Affordability**

Funding was provided during the current 2009-11 biennium to address student affordability, by freezing tuition at the two-year campuses and limiting tuition increases to no more than 4% at all other NDUS campuses. The SBHE went a step further and limited tuition increases to no more than 3.5% at the four-year campuses for each year of the 09-11 biennium.

If the 2011-13 request is funded, the two-year campuses would continue to freeze tuition, and tuition increases would be limited to no more than 4% at the four-year campuses for an additional 2 years. If done consistently over a period of years, this would ensure two-year campus tuition rates remain affordable for those students least able to afford a college education, and will also help to begin to re-balance the state/student shares consistent with the Long-Term Financial Plan. Funding would cover 100% of the student share of parity cost increases at the two-year campuses, and would also cover a portion of the student share of parity costs at the four-year campuses.

At NDSU, \$1,610,877 of additional State funding would limit tuition increases to no more than 4% for the 2011-13 biennium, and replace the need for an estimated tuition increase of 4.9% to fund the student share of parity. In addition, \$538,314 would be needed to also fund a portion of the student share of retirement contribution increases included in the Employee Retirement Contribution Increase portion of the appropriation request. The total affordability request for NDSU is \$2,149,191.

NOTE: The ability to cap tuition rate increases, as outlined above, is contingent upon the following budget assumptions:

- 1.) Parity costs are fully funded.
- 2.) Campuses do not experience significant enrollment declines.
- 3.) Other budget components requested are funded (e.g. Technology infrastructure and maintenance, etc.) so cost increases need not be absorbed within the current resource base.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 4	<b>Priority:</b> 4
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**BUDGET CHANGES NARRATIVE****235 North Dakota State University****Bill#: HB1003****Date:** 01/13/2011**Time:** 11:07:35**Base Plus Incr for Extraord Repairs**

Currently, the campuses receive \$6,677,416 in base funding for extraordinary repairs, which is equivalent to an overall average of 9% of the OMB building and infrastructure formulas, ranging from 4.2% at LRSC to 14.2% at DCB. In the IBARS process, we are required to remove base funding for extraordinary repairs (see change code AF2). The 2011-13 NDUS budget request includes a total of \$4,441,130 to provide increased base funding for facilities and infrastructure repairs and maintenance, equivalent to 15% of OMB building and infrastructure formulas. The AA4 budget change code includes restoring the base amount removed in change code AF2, as well as the requested increase to reach 15% of OMB formula.

A prioritized listing of extraordinary repair projects is included in the extraordinary repairs sub-schedule (because of IBARS's requirement to do so), however these priorities can very easily change, due to unforeseen circumstances and emergencies. The priority listing is only a best estimate at this time. The actual use of these dollars will be left to the discretion of the institutions (with appropriate approvals by the SBHE where required for projects greater than \$250,000). All NDUS entities will be given the authority to allocate dollars to repair and replacement priorities for regular repair and replacement projects as determined by each entity.

NDSU's portion of the request is \$1,692,226 for the Base funding currently received in (2009-11), and \$1,040,048 for the increase in Base funding for Extraordinary Repairs for (2011-13) for a total request of \$2,732,244.

NDSU's prioritized list is as follows:

- |                                       |           |   |
|---------------------------------------|-----------|---|
| 1.) Building Exterior:                | \$750,000 | Roof and Window replacement                 |
| 2.) Mechanical / Electrical Upgrades: | \$750,000 | Chiller replacements and Electrical service |
| 3.) Utilities / Infrastructure:       | \$500,000 | Steam, Sewer and Water Lines                |
| 4.) Structural Repair:                | \$100,000 | Foundation support improvements             |
| 5.) Paving & Area Lighting:           | \$200,000 | Sidewalk, Lighting & Streets                |
| 6.) Misc. Small Projects <\$50K:      | \$332,244 | Classroom Upgrades                          |
| 7.) Interior Finishes:                | \$100,000 | Walls, Flooring, Ceiling replacements       |

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 7	<b>Priority:</b> 5
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**Employee Retire Contrib Increase**

Consistent with the PERS proposal, this would increase Defined Benefit and Contribution retirement plan rates by 2% on 1/1/12 and 2% on 1/1/13, with 50% paid by employer and 50% paid by employee.

NDSU's portion of the request is \$807,470.

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This is the State's portion only, and \$538,314 is also included in the Affordability portion of the appropriation request for the Student portion, which would limit the tuition increase to 4% at 4-year campuses.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 12	<b>Priority:</b> 6
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**2009-11 Adjusted FTE**

Per SB2003 (Section 20), "The State Board of Higher Education is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2011-13 biennium budget request." A report was run as of 4-30-2010 to determine the total "appropriated FTE" as of that date. Consistent with the methodology used in previous biennia, the current year's annual budgets were used to estimate the amount supported by general fund only, based on the percentage of budgeted general fund revenue to total appropriated revenue.

The net increase of 69.12 FTE is primarily due to transferred SITS employees (70%) and to accomodate increased student enrollments, additional NDSU faculty and staff (30%).

<b>Change Group:</b> A	<b>Change Type:</b> B	<b>Change No:</b> 1	<b>Priority:</b> 1
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**Major Capital Projects**

NDSU did not receive support for new State Funded Projects in the 2011-13 biennium.

NDSU is seeking legislative authorization for \$36,100,000 in 'reauthorized and new' Non-State Funded Projects.

NDSU's projects, dollar amount and Source of 'Other funding' is as follows:

\$29,100,000-Bison Sports Arena (to be completed in 3 Phases) - Reauthorized Project - Private Funds

\$5,000,000-Indoor Practice Facility - New Project - Private Funds

\$2,000,000-IT Infrastructure (Segment of Phase I in a 3 Phase project) - New Project - Local Funds, Grants

All details of the major capital projects are included in the Capital Assets subschedule.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 1	<b>Priority:</b> 1
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**Special Assessments**

Funding to pay off outstanding special assessments totaling \$2,319,700 at NDSU resulting in \$1,796,253 estimated savings in interest costs.

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<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 3	<b>Priority:</b> 2
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Small to Medium Size Capital Projects

NDSU is requesting \$4,692,000 of legislative authorization for 7 new Small-to-Medium Size State Funded Projects in the 2011-13 biennium.

NDSU's projects, State funding request dollar amount and deferred maintenance addressed (\$1,292,000), due to this funding request are as follows:

- 1.) \$900,000 state funds authorized for Dunbar & Ladd Halls Classroom Renovations - Complete renovation of the existing chemistry labs on the 3rd floor of Dunbar Hall and the 1st floor of Ladd Hall. \$0 in deferred maintenance eliminated by this allocation.
- 2.) \$750,000 state funds authorized for Benson Bunker Field-house Room 14 - Complete renovation to meet current accreditation standards & provide up-to-date training & research opportunities for students and faculty. \$0 in deferred maintenance eliminated by the allocation.
- 3.) \$1,000,000 authorized state funds for Group Classroom Renovations - Renovations of teaching labs (Sudro 21, Civil & Industrial Engineering 109, Walster 247, Dunbar 359). \$0 in deferred maintenance eliminated by this allocation.
- 4.) \$750,000 authorized state funds for Family Life Center (FLC) rooms 310, 311, 312 - Renovation to meet accreditation standards for the Hospitality & Dietetics program. Students need an up-to-date food production lab that provides the space and equipment for planning, preparation and serving. \$0 in deferred maintenance eliminated by this allocation.
- 5.) \$250,000 authorized state funds for South Engineering Roof Replacement - A new roof will be installed to ensure a water tight building. \$250,000 in deferred maintenance repairs is eliminated by this allocation.
- 6.) \$234,000 authorized state funds for Agriculture Engineering Window and Roof Replacement - New windows will be installed to provide better energy efficiency. The roof will be replaced to ensure that the usefulness of the building will continue. \$234,000 in deferred maintenance repairs is eliminated by this allocation.
- 7.) \$808,000 authorized state funds for Music Education Roof and Lighting Replacement - New classroom and hallway lighting and lighting controls will be installed to increase efficiency. A new roof will be installed to maintain a water tight structure. \$808,000 in deferred maintenance repairs is eliminated by this allocation.

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 2	<b>Priority:</b> 1
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Remove One time Funding for Def Mnt

A total of \$20 million was appropriated to the campuses and Forest Service for one-time deferred maintenance in the 2009-11 biennium (SB2003-Section 7).

NDSU's portion of this was \$5,355,817, and the use of this funding will be reported to the appropriations committees of the sixty-second legislative assembly, as required. .

Projected expenditures for FY 2010 (as of 6-14-10) is as follows:

Total: \$2,540,054

Building Exterior: \$804,803

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Mechanical & Electrical Upgrades: \$286,063

Interior Finishes: \$670,205

Structural Repair: \$0

Paving & Area Lighting: \$432,221

Utilities / Infrastructure: \$310,762

Misc Small Projects < \$50K: \$0

The remaining Balance of the 2009-11 biennium appropriation to be expended in FY 2011: \$2,815,763

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 3	<b>Priority:</b> 1
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**Remove Capital Projects**

To remove \$71,100,000 appropriation authority for capital projects for the 2009-11 biennium, excluding those that received ARRA funding. NDSU did not have any ARRA funded projects.

NDSU's projects, appropriation authority and funding sources are as follows:

**Major Remodeling:**

Minard Hall Renovation - Phase III (2009-11):	\$13,000,000	State General Funds
Auxiliary Enterprises Renovation & West Dining Services Renovation (2009-11):	\$ 7,000,000	Revenue Bond/Local Funds
Ellig Softball Field (Carryover from 2007-09):	\$ 4,500,000	Private Funds
Bison Sports Arena (Carryover from 2007-09):	\$25,500,000	Private Funds

**New Construction/Additions:**

Niskanen Student Apartment Addition (2009-11)	\$20,000,000	Revenue Bond/Local Funds
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Student Health Services Expansion (2009-11)	\$ 1,100,000	Local (student fees)
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<b>Change Group:</b> A	<b>Change Type:</b> F	<b>Change No:</b> 1	<b>Priority:</b> 1
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## Remove Capital Assets Carryover

To remove \$3,889,215 in general fund capital assets carryover from (2007-09).

NDSU's projects and authority detail is as follows:

Minard Hall Phase I & II (2007-09) - GF portion: \$3,540,559

Base Extraordinary Repairs: \$ 228,732

One-Time Deferred Maintenance: \$ 119,924

<b>Change Group:</b> A	<b>Change Type:</b> F	<b>Change No:</b> 2	<b>Priority:</b> 1
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### Remove Base Funding for Extraord Repairs

To remove \$1,692,226 Base funding for Extraordinary Repairs.

NDSU's projected expenditures for FY 2010 (as of 6-14-10) are as follows:

Total: \$1,183,185

Building Exterior: \$0

Mechanical / Electrical Upgrades: \$ 85,000

Interior Finishes: \$0

Structural Repair:	\$539,587
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Paving & Area Lighting: \$0

Utilities / Infrastructure: \$488,735

Misc. Small Projects < \$50K \$ 69,863

The remaining Balance of the 2009-11 biennium appropriation to be expended in FY 2011: \$ 509,041

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 1	<b>Priority:</b>
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**Recommended Parity**

- Approves 2009-11 second year salary increase
- Adjusts health insurance to actual costs
- Provides for 3% annual salary increases for the 2011-13 biennium
- Removes operating inflation increase, which is consistent with other state agency budgets
- Approves utility increases as requested for inflation and new buildings

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 2	<b>Priority:</b>
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**Retirement Contribution**

Adjusts for the recommended 3% annual salary increase

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b>
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**Equity**

Allocates \$4,698,999 from the equity pool of \$10.0 million dollars.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 4	<b>Priority:</b>
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**Affordability**

Provides funding to freeze tuition at the two-year campuses and limit tuition increases to up to 2.5% per year at four-year campuses

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 5	<b>Priority:</b>
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**Higher Ed FTE**

Per section 20 of 2009 Senate Bill 2003 the State Board of Higher Education is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. FTE do not require approval in the executive budget.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 1	<b>Priority:</b>
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**BUDGET CHANGES NARRATIVE****235 North Dakota State University****Bill#: HB1003****Date:** 01/13/2011**Time:** 11:07:35**Special Assessments Pay Off**

Provides a one-time, general fund appropriation of \$4.3 million to pay off campus-wide special assessment balances for an estimated savings by paying early of \$2.4 million. NDSU's special assessment balance pay off is \$2,319,700.